

GREEN ELECTRICITY BUYING COOPERATIVE vs. MONOPOLY BUSINESS PLAN  
COMPARISON OF BUSINESS PLANS AND CAPABILITY TO ERECT WINDMILLS IN MONTANA

GREEN ELECTRICITY BUYING COOPERATIVE	MONOPOLY
<b>BUSINESS PLANNING CAPABILITY:</b> --GEBCO Board member teaches business planning --GEBCO Clean Renewable Energy Bond application included a Microsoft Project Management breakdown of tasks that needed to be completed to accomplish the project and timetables for doing that --GEBCO Board and customers can plan to control Co-op salaries --GEBCO includes business plan sections as needed in grant applications.	<b>BUSINESS PLANNING CAPABILITY:</b> --Business plan team gave consumers and shareholders Touch America, Montana Power and Northwestern bankruptcies --Business plan team gave consumers and shareholders defunct Great Falls natural gas plant that was sold out of the bankruptcy for Scrap --The monopoly planned 2004 insider executive salary bonuses of \$6.5 million and \$5 million in stock options
<b>CAPITAL FORMATION PLAN:</b> --Capital for Windmills from Bond Market or Secured Bridge Loan --Turbines as Security --IRS Authorization to Issue \$31.7 million in zero interest CREBS --Financing dependent on legislative authorization to own Turbines	<b>CAPITAL FORMATION PLAN:</b> --Capital for Windmills from Equity or Bond Market, --Turbines as Security --Tentative financing from Australian Hedge Fund/Corporation; developers waiting in line to bid for contracts with utility --Financing dependent on approval from PSC of sale of Monopoly to Aussies
<b>TAX INCENTIVE PLAN:</b> --Tax Incentive from Zero Interest Clean Renewable Energy Bonds; --CREBS incentive is cheaper for government and for taxpayers than the 1.9 cent tax credit	<b>TAX INCENTIVE PLAN:</b> --Tax Incentive 1.9 cents/kwh, 5 year rapid depreciation -- --Tax incentives pay for 2/3 of project
<b>INFRASTRUCTURE OWNERSHIP PLAN:</b> --Cooperative members own turbines after they are paid for	<b>INFRASTRUCTURE OWNERSHIP PLAN:</b> --Envenenergy continues to own Judith Gap after windmills are paid for --Vertically integrated monopoly customers have no guarantee the turbines will not be sold for stockholder profit once they are paid for
<b>WIND ENERGY SOURCE PLAN:</b> --2,000 to 5,000 farmers with smaller wind farms or turbines widely distributed around Montana	<b>WIND ENERGY SOURCE PLAN:</b> --Large wind developers, large turbines located on land of a fewer Than 100 farmers

<p><b>PRODUCT PLAN:</b></p> <ul style="list-style-type: none"> <li>--Energy produced from wind, sun, biomass, small hydro, geothermal and hydrogen fuel cells; firmed and backed only when necessary with fossil fuel generation</li> <li>--Product will be energy coupled with environmental attributes so that when the price of fossil fuels, pollution control, and carbon sequestration or carbon tax goes up, the price of GEBCO energy is not increased because renewable fuels do not increase these costs</li> </ul>	<p><b>PRODUCT PLAN:</b></p> <ul style="list-style-type: none"> <li>--MDU: drag feet in lagging behind the nation when introducing green power products; it plans to continue to selling fossil fuel generation using fuel supplied from MDU affiliated coal mines and natural gas projects.</li> <li>--NWE: buys wind power from others so that when cost of fossil fuels, pollution control, and carbon sequestration goes up, NWE customers' bills go up. No tariff exists to capture eventual cost benefits for those who pay more for renewable energy.</li> </ul>
<p><b>PRODUCT COST PLAN:</b></p> <ul style="list-style-type: none"> <li>--Product value includes CO2 removal and pollution control</li> <li>--No fuel cost in the wind</li> <li>--The gap between the cost of wind energy installed now and fossil fuel energy that is already installed should narrow and cross at about 8 years, when wind will become cheaper than coal fired generation</li> <li>--When windmills are paid for, cooperative members can vote themselves a customer rebate</li> </ul>	<p><b>PRODUCT COST PLAN:</b></p> <ul style="list-style-type: none"> <li>--To be comparable with clean energy from the wind and sun fossil fuel generation product would have to include: 2 to 5 cents/kwh for carbon sequestration, and 2/10 cent to 1/2 cent/kwh for mercury removal</li> <li>--historically fossil fuel generated electricity has gone up at 1.03% per year in Montana</li> <li>--The cost of coal generated electricity will continue to rise, probably more than it has historically because we are entering a period of needing to stop pumping out 25% of the world's CO2 emissions</li> <li>--Last time we paid for electric generation, it did not drop out of the rate base, but rather the generating plants were sold to outsiders and we are paying for it yet again in the rates outsiders charge us.</li> </ul>
<p><b>POLLUTION CONTROL PLAN:</b></p> <ul style="list-style-type: none"> <li>--No emissions, no mercury in our daughters and sons,</li> <li>--No CO2, or greenhouse gases, no addition to global warming</li> <li>--No strip mines to reclaim</li> <li>--Comply with all environmental guidelines</li> <li>--Customers are willing to pay more for clean energy</li> <li>--Locate turbines to minimize bird and bat kills to less than 1 or 2 per Turbine/year</li> <li>--Paint the Big Sky blue again</li> </ul>	<p><b>POLLUTION CONTROL PLAN:</b></p> <ul style="list-style-type: none"> <li>--Oppose mercury and pollution control emission standards;</li> <li>--Deny that climate change comes from fossil fuel burning until the science debunking denial is overwhelming</li> <li>--Lag behind on mine land reclamation, "bail-wire" old polluting power plants to keep them operating</li> <li>--Claim environmental standards drive the cost of energy up</li> <li>--Customers may still pay less to buy dirty electrons if they choose</li> <li>--Fossil fuel burning caused global warming wipes out millions of birds by altering food availability cycles</li> <li>--Brown out Montana's sun to light up the night in Vegas</li> </ul>

TRANSPORTATION OF PRODUCT TO MARKET PLAN:	TRANSPORTATION OF PRODUCT TO MARKET PLAN:
<p>--Prevented from owning its own transmission and distribution grid because monopoly does not want competition based on the argument that duplication of the grid is not in the public interest</p> <p>--GEBCO has non-discriminatory access to transmission and distribution Grid under FERC Order 888, Open Access Transmission Tariffs (OATTS), Section 1254 of the 2005 Federal Energy Policy Act and the US Supreme Court decision in the Ottertail Power Case.</p> <p>--GEBCO customers would pay same amount they are now charged by the monopoly for transmission services, \$0.008333</p> <p>--GEBCO customers would pay same amount they are now charged by the monopoly for distribution services, \$0.024427</p> <p>--Per rulings above, monopolies may not deny GEBCO customers grid access. That includes access to meters of the monopoly that its former customers have paid for during the time they were served by the monopoly. If access to meters is denied and GEBCO needs to supply meters for its customers, the meter cost of the distribution system should be subtracted from the distribution tariff payment. GEBCO customers likely will be receiving smart meters from GEBCO.</p>	<p>--Own their own transmission and distribution grid</p> <p>--Begrudgingly do integration studies to determine whether grid needs upgrades to handle new non-monopoly generation.</p> <p>--Charges own residential customers \$0.008333 for transmission Services Schedule No. EDSS-1</p> <p>--Charges own residential customers \$0.024427 for distribution services; (\$0.025938 - \$0.001511) Schedule No. REDS-1</p> <p>--Talk of denying GEBCO customers use of electric meters at point of GEBCO customer interconnect to the grid</p>
<p><b>POWER PURCHASE PLAN:</b></p> <p>--May purchase some power on the open market or via contracts</p> <p>--Obtain ancillary services from the Western Area Power Administration, Basin Electric, Bonneville Power Administration, or other contracts</p>	<p><b>POWER PURCHASE RESULT:</b></p> <p>--If GEBCO plan succeeds, Northwestern will have to purchase up to less power on the open market or via contracts</p> <p>--Leave more of the ancillary service resource from non-W/APA, etc. suppliers available to the monopoly and to Qualified Facilities (QFs) attaching to monopoly systems</p>
<p><b>EXCESS POWER SALES PLAN:</b></p> <p>--GEBCO currently has authority to sell power at wholesale under Montana law. It intends to seek a FERC license to do so</p>	<p><b>EXCESS POWER SALES PLAN:</b></p> <p>--NWE apparently will seek to purchase 10-30 % of its power on the short term market, rather than 100 %. If GEBCO CREBs projects are operating, the amount that each monopoly needs to plan for and buy would be decreased by less than 1 %</p>

<p><b>MARKETING PLAN:</b></p> <p>--GEBCO will gain more chickens as we can feed them, i.e., get more cooperative owner-members when we obtain wind energy to serve them. GEBCO will begin more extensive media marketing as that becomes appropriate. Its Board President has been charged with that responsibility by the Board and he is exploring various marketing options</p> <p>--GEBCO customers will come from Montana Dakota Utility customers who now are offered no green power product by MDU but who prefer green power coupled with energy product (600 other US utilities offer a green power product)</p> <p>-- GEBCO customers will come from Northwestern customers who are offered a 2 cents/kwh green tag product that does not carry with it energy, but rather only environmental attributes. This NWE model gives no financial incentive to folks who are willing to pay more for clean power to do so.</p>	<p><b>MARKETING PLAN:</b></p> <p>--Fight any encroachment on the virtual lock on all customers that now exists, not by providing a preferred product but by freezing out competition</p> <p>--MDU says it is planning to add windpower, but it does not seem in a hurry to do so. It fought against the renewable portfolio standard. Also no tariff requires them to prevent the pass through of fossil fuel cost increases to those who buy windpower.</p> <p>--NWE does not market its green tag program widely. It has not announced a plan to provide a green product other than the current one that is deficient since it does not offer the benefits of having the price of power not rise when fuel costs rise, and it does not guarantee that when the windmills are paid for the price of wind power will drop.</p>
<p><b>OTHER PLANS:</b></p> <p>--GEBCO announced plans in late March of 2007 to reapply for Clean Renewable Energy Bond Funding to place 40, 100 kW wind turbines on 40 farms around Montana.</p> <p>--Each turbine will serve about 30 families and provide farmers additional income for allowing turbines on their land.</p> <p>--GEBCO's other plans involve personnel, web site, 200 solar collectors on member roofs, 6 biomas machines for combined heat and power for schools, energy conservation for members, etc.</p>	<p><b>BANKRUPTCY CONTINGENCY PLAN:</b></p> <p>--Hire the guys from the monopoly--they wrote the book on bankruptcy</p>
<p><b>BANKRUPTCY CONTINGENCY PLAN:</b></p> <p>--Hire the guys from the monopoly--they wrote the book on bankruptcy</p>	<p><b>BANKRUPTCY CONTINGENCY PLAN:</b></p> <p>--Unpack golden parachutes, retire to Yellowstone Club or Maui</p>